

HOUSE OF REPRESENTATIVES

Fiscal Responsibility Council

Representative Carlos A. Lacasa, Chair

Representative Mike Fasano, Vice Chair

2002 SUMMARY OF PASSED LEGISLATION



Criminal Justice Appropriations Committee

Representative Randy John Ball, Chair

Representative Matthew J. Meadows, Vice Chair

Education Appropriations Committee

Representative Evelyn J. Lynn, Chair

Representative Dwight Stansel, Vice Chair

Fiscal Policy & Resources Committee

Representative Rob Wallace, Chair

Representative Mike Haridopolos, Vice Chair

General Government Appropriations Committee

Representative Paula Dockery, Chair

Representative Ron L. Greenstein, Vice Chair

Health & Human Services Appropriations Committee

Representative Sandra L. Murman, Chair

Representative Frank Farkas, Vice Chair

Transportation & Economic Development Appropriations Committee

Representative Randy Johnson, Chair

Representative William F. Andrews, Vice Chair

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Fiscal Responsibility Council

HB 1963 – Florida Coastal Management Program

By Fiscal Responsibility Council; Johnson

Linked Bills: None

Tied Bills: Compare CS/SB 1064; Similar CS/HB 1591, 1st Engrossed

Committee(s)/Council(s) of Reference: Fiscal Responsibility Council

HB 1963 bill transfers the Florida Coastal Management Program (FCMP) from the Department of Community Affairs (DCA) to the Department of Environmental Protection (DEP). The FCMP coordinates among local, state, and federal entities involved in coastal management activities to protect coastal resources and help build and maintain Florida communities. All powers, duties and functions, rules, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the FCMP currently assigned to and administered by the DCA are transferred to the DEP.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2002.

HB 1973, 2nd ENG. – Florida Retirement System

By Fiscal Responsibility Council; Lacasa

Linked Bills: None

Tied Bills: Compare SB 590, 1st ENG.

Committee(s)/Council(s) of Reference: Fiscal Responsibility Council

HB 1973 establishes the retirement contribution rates of the Florida Retirement System. These rates are applicable to both the traditional defined benefit retirement program and the new defined contribution retirement program or Public Employee Optional Retirement Program (PEORP). The bill sets a blended rate for each class or subclass of the Florida Retirement System and reduces the contribution rate for the Deferred Optional Retirement Program (DROP) from 11.56% to 8% of the DROP payroll for FY 2002-2003. Employers participating in the Florida Retirement System will remit the retirement contributions to the Department of Management Services. The Department will allocate a portion of the contributions for deposit into the PEORP participant accounts and a portion for disability benefit coverage. The remaining contributions will be deposited into the Florida Retirement System Trust Fund.

HB 1973 also allows current participants of the Senior Management Service Optional Annuity Program to transfer into the traditional defined benefit program of the Florida Retirement System.

Subject to the Governor's veto powers, the effective date of this bill is June 1, 2002.

HB 2011 –Florida Lottery

By Fiscal Responsibility Council; Dockery; Lynn

Linked Bills: None

Tied Bills: Identical CS/SB 1570

Committee(s)/Council(s) of Reference: Fiscal Responsibility Council

HB 2011 directs the Department of Lottery to establish variable prize-payout rates for instant-ticket sales. It requires the Department to set prize-payout rates for instant-ticket sales at a level that would maximize transfers to public education. The bill also directs the Department to vary the percent of sales revenue that is deposited into the Educational Enhancement Trust Fund.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2002.

Fiscal Policy & Resources Committee

CS/SB 426, 2nd ENG. – Tax Administration

By Senator Campbell

Linked Bills: None

Tied Bills: Similar HB 1995; Contains all of CS/HB 121, HB 169, HB 951 and SB 1104

Committee(s)/Council(s) of Reference: Finance & Taxation

CS/SB 426 incorporates many of the provisions of several tax administration bills. It includes most of the revisions suggested by the Department of Revenue (DOR) for tax administration and the statutory revisions suggested by the State Tax Reform Task Force. These revisions will reduce unnecessary filings by taxpayers, clarify many provisions of law, have Florida comply with some federal provisions for tax administration, and improve the efficiency of the Department.

The bill makes the following changes to the administration of revenue laws:

- Directs the Clerks of Court to notify DOR if there are surplus proceeds resulting from a sale of real or personal property pursuant to an unemployment compensation tax lien;
- Enables DOR to enter lien information into the Secretary of State's central database without incurring the \$20 fee;
- Authorizes DOR to participate in the disbursement of any funds remaining in the court registry after disbursement of certain sale proceeds;
- Provides that an action can be filed where a taxpayer regularly maintains its books and records in this state;
- Repeals a requirement that corporations must file an annual intangible tax return if the tax due is less than \$60;
- Provides that the documentary stamp tax does not apply to a contract to sell the residence of an employee through an employee relocation company;
- Caps at \$2450 the documentary stamp tax due on an unsecured note executed in Florida;
- Reinstates an aviation fuel tax credit for a job creation program;
- Clarifies that the county distributions from the severance tax are calculated annually based on the production information filed by taxpayers;
- Amends the definition of "lease" and related terms to exclude payments made to a regional transmission organization for certain bulk transmission facilities;
- Eliminates the reference to the undefined term "trade fixtures";
- Provides for dealer reliance on resale certificates of a purchaser in the normal course of business;
- Provides a penalty structure which limits the liability for inadvertent dealer registration errors and encourages voluntary self disclosure without jeopardizing compliance;
- Requires the purchasers of machinery and equipment necessary for the production of steam energy to file an affidavit stating the exempt nature of the purchase with the vendor instead of DOR;
- Replaces the reference to "section 38 property" with a definition for certain machinery and equipment;

- Imposes certain requirements on the removal of motor vehicles from the state, similar to those currently in place for the purchase of boats and aircraft;
- Eliminates the specific exemption for crime prevention, drunk driving, juvenile delinquency, PTO, PTA and other 501(c)(3) organizations;
- Addresses certain glitches related to WAGES program;
- Provides consistent treatment among vessels, railroads, and motor vehicles by applying the tax to Florida taxable purchases;
- Corrects technical issues regarding Enterprise Zone tax credits;
- Provides authority for DOR to require a report to be submitted when filing a sales and use tax return that claims certain credits;
- Provides a good faith exception from additional tax, interest and penalties for dealers who erroneously collect and remit sales tax by rounding to the nearest whole cent;
- Allows taxpayers to file for a tax refund based on statistical sampling;
- Provides for waiver of registration fee for on-line registration through the Multistate Tax Commission and on-line registration for the tax on gross receipts of dry cleaning facilities;
- Extends the confidentiality given to certain unemployment compensation tax records of the Agency for Workforce Innovation to DOR when administering the unemployment compensation program for AWI;
- Authorizes “level two” counties participating in the Registration Information Sharing and Exchange program to share confidential taxpayer information with participating counties;
- Provides for de novo review in administrative or judicial actions of tax cases;
- Provides for a waiver of interest if a DOR employee's action or inaction caused a delay in taxpayer filing;
- Extends the scheduled repeal of authority to compromise penalties during certified audits;
- Provides for an automatic compromise of penalties where the dealer is liable for uncollected sales tax and interest despite a good faith effort to comply;
- Provides for a waiver of penalties for first and second time tax return filing errors;
- Limits the amount of programmatically generated refunds and billings to the cost of processing the refund or billing;
- Allows interest to begin to accrue on August 1 on refunds claims where DOR is prohibited from paying such refunds until after the new fiscal year;
- Extends the Certified Audit Program by four years;
- Clarifies that the Rewards Program is the only means available to obtain compensation for information regarding another person's tax compliance;
- Requires certain employers to file unemployment compensation tax forms electronically, with a threshold tax liability of \$30,000, with a waiver provision for employers who cannot comply;
- Provides that the sale of goods in SIC industry number 2037 under certain circumstances is deemed to have not occurred in this state;
- Expands the definition of “qualified student” to include kindergarten and first-grade students for the scholarship program for corporate income tax credit;
- Eliminates the initial year information return requirement for corporate income taxpayers;
- Provides that interest on any corporate income tax deficiency accrues from the date fixed for filing the original return;

- Allows the imposition of the 9th cent fuel tax and local option fuel tax to go into effect on January 1 and repeal on December 31;
- Changes the due date for annual filing for unemployment compensation for domestic service employees so employers can claim credit on federal returns;
- Reduces from 5% to 4.7% the upper threshold that triggers a downward tax rate adjustment in the Unemployment Compensation tax and reduces from 4% to 3.7% the lower threshold that triggers an upward tax rate adjustment;
- Provides that Indian Tribes can elect to be assigned a tax rate under the general experience rating provisions or they can elect to reimburse the state Unemployment Compensation Fund for specific benefits to former employees;
- Requires employers that reported 10 or more employees to file unemployment compensation reports by electronic means;
- Specifies that single-member Limited Liability Partnerships are separate entities for tax purposes;
- Allows vehicle dealers to remit the \$2 Lemon Law fee for vehicles registered and titled outside of Florida directly to DOR;
- Extends the sales tax exemption provision for convention centers three years;
- Provides that certain general provisions and tools utilized by DOR in general tax administration apply to the collection of unemployment compensation tax;
- Corrects a calculation formula for municipal revenue sharing;
- Repeals a requirement that corporations file annual information returns regarding stock value;
- Repeals the imposition of documentary stamp tax on original issues;
- Repeals the authority of DOR to issue temporary sales tax exemption certificates; and
- Repeals the exemption from the insurance premium tax for insurers who write monoline flood insurance policies.

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law, except as otherwise provided.

SB 1104 – Certified Audits

By Senator Sullivan

Linked Bills: None

Tied Bills: Identical HB 951; all provisions contained in CS/SB 426, 2nd ENG.

Committee(s)/Council(s) of Reference: Finance and Taxation

This bill extends the expiration date of the Certified Audit Program four additional years, to July 1, 2006, including the confidentiality and penalty compromise provisions. This program allows a taxpayer to hire a private Certified Public Accountant (CPA) firm to perform a compliance audit. Taxpayers reporting a liability under this program receive a waiver of penalties and of the first \$25,000 in interest and of 25% of any interest in excess of \$25,000.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2002.

CS/CS/SB 1360, 2nd ENG. – Property Tax Administration

**By Finance & Taxation, Comprehensive Planning, Local and Veterans Affairs,
Senator Pruitt**

Linked Bills: None

Tied Bills: Includes parts of SB 1308, HB 1941 and HB 2023

Committee(s)/Council(s) of Reference: Comprehensive Planning, Local and Veterans Affairs, and Finance and Taxation

This bill contains the Department of Revenue's 2002 administrative package as well as other property tax issues.

Specifically, the bill:

- Amends the Property Taxpayers Bill of Rights to add special districts to the TRIM notice and provide a cross reference to s. 213.015, F.S. It authorizes the Department of Revenue to specify the form used to petition the Value Adjustment Board, bringing uniformity to this preceding.
- Establishes a uniform timeline for petitioners and property appraisers to exchange information used in Value Adjustment Board hearings.
- Requires the Department of Revenue to establish, by rule, uniform procedures for Value Adjustment Board hearings.
- Increases from 15 to 20 the number of calendar days before a hearing the Clerk of the Value Adjustment Board must notify petitioners of their scheduled appearance.
- Grants taxpayers the right to reschedule a value adjustment board hearing one time.
- Requires counties with populations over 75,000 to use special masters for their petitions to the value adjustment board.
- Subject to the \$45,000 appropriation which is contained in the bill, it instructs the Department of Revenue to reimburse counties under 75,000 in population for the cost of using special masters.
- Revises the qualifications for serving as a special master.
- Precludes employees or officials of the state or a taxing authority from serving as a special master.
- In limited circumstances, it authorizes the Department of Revenue to update the guidelines for tangible personal property assessments upon the approval of the executive director, rather than by administrative rule.
- Establishes procedures and a schedule for processing property tax refund claims.
- Provides the Department of Revenue with flexibility in format when printing TRIM forms in order to accommodate the needs of individual counties.
- Amends the TRIM notice to advise taxpayers that they should contact the property appraiser about errors in exemptions.
- Revises the list of public bodies exempt from the tax-increment financing requirement of a community redevelopment agency.
- Provides for exemptions to the assessment of property for back taxes when sold to a bona fide purchaser. It makes a grammatical correction.
- Allows an error in the notice of proposed taxes to be corrected by an advertisement in a newspaper of general circulation, if the error involves only the date and time of public hearings.

- Expands requirements regarding the assessment of low income housing that has received tax credits under federal and state housing programs.
- Provides that liens of special districts and community development districts survive tax deeds. It provides for an entitlement to the agriculture exemption for any property which received the exemption in the previous year, providing that use or ownership has not changed.
- Provides for a one-year waiver of mandatory charges and interest for delinquent 2001 taxes, and an extension of the date of tax certificate sales, for certain tourism, public lodging, and restaurant facilities that were harmed by the events of September 11.

Subject to the Governor's veto powers, the effective date of this bill is January 1, 2003.

HB 1977, 2nd ENG. – Procurement/Competitive Solicitation

By Fiscal Policy & Resources and Rep. Wallace

Linked Bills: None

Tied Bills: Similar CS/SB 1132, 1st ENG.

Committee(s)/Council(s) of Reference: Fiscal Policy & Resources

This bill implements many of the recommendations contained in the Senate Government Oversight & Productivity *Interim Project Report 2002-133*.

HB 1977, 2nd Engrossed:

- Amends the provisions governing the use of invitations to negotiate to specify when they may be used and the documentation that must be maintained, and to set forth a process for conducting an ITN procurement;
- Requires agency head approval for ITN's and requires contract file to contain a short plain statement of the basis for vendor selection and how the purchase provides the best value to the state;
- Cross-references the ITN procurement method throughout the chapter;
- Provides that the 72 hour notice of protest filing time begins running after the posting of the notice of a decision or intended decision;
- Revises the protest bond amount to 1% of the estimated contract amount;
- Provides that an official bank check may be used in lieu of a bond, money order or cashier's check;
- Provides for electronic posting of agency procurement matters on a centralized website;
- Amends the provisions governing requests for quotation to limit usage to commodities and contractual services available on state term contract;
- Requires competition in emergency procurements, where possible, requires agencies to obtain two price quotes;
- Revises the requirements applicable to sole source purchases, requires electronic posting for seven days for certain sole-source purchases;
- Permits the department to authorize "eligible users" by rule to participate in state term contracts and the online procurement system;
- Clarifies that state term contracts must be competitively procured;
- Creates a request for information tool (RFI) to be used by the agencies to gain knowledge about the marketplace;

- Requires negotiation team members to have experience in negotiating contracts;
- Alphabetizes the definition section in ch. 287, F.S.;
- Defines new terms for clarity and consistency of use within ch. 287, F.S.;
- Revises the requirements for the PRIDE program to ensure the inmates produce in majority part the products they offer for sale to state agencies which are exempt from competitive bidding, and limit the amount of “pass through” goods;
- Revises the requirements for the RESPECT program to ensure their workers provide some significant added value to the products they offer for sale to state agencies which are exempt from competitive bidding;
- Transfers responsibility for overseeing certain purchases exempt from competitive bidding to DMS from the Commission for the Purchase from the Blind or Other Severely Handicapped, and eliminates the commission;
- Strikes duplicative and outdated provisions contained in ch. 287, F.S.

Subject to the Governor’s veto powers, the effective date of this bill is July 1, 2002.

SB 2028 – Corporate Income Tax

By Senator Pruitt

Linked Bills: None

Tied Bills: Identical HB 1933

Committee(s)/Council(s) of Reference: Finance & Taxation

Florida’s Corporate Income Tax Code follows the Federal Internal Revenue Code by using federal rules and starting with federal taxable income as the tax base for the Florida income tax. This bill updates the Florida Income Tax Code to reflect the changes Congress has made to the U.S. Internal Revenue Code of 1986.

Subject to the Governor’s veto powers, the effective date of this bill is upon becoming a law, and this act shall operate retroactively to January 1, 2002.

Health & Human Services Appropriations Committee

CS/SB 1276, 2nd ENG. – Fla. Health & Human Services Access

By Appropriations; Silver

Linked Bills: None

Tied Bills: Similar HB 1761; Compare 2nd ENG. HB 703, 1st ENG. CS/CS/SB 596, CS/CS/SB 1838

Committee(s)/Council(s) of Reference: Health, Aging & Long-Term Care; Appropriations Subcommittee on Health and Human Services; Appropriations

This bill creates s. 408.911, F.S., the “Florida Health and Human Services Access Act.” The Act requires the Agency for Health Care Administration to establish a comprehensive, automated health and human services access system. The Agency must submit a plan for phased-in implementation to the Governor and Legislature by January 1, 2004. The first phase is the development and implementation of a pilot project for eligibility determination and information and referral services. To guide the implementation of the pilots, the bill establishes a steering committee, whose work is to be completed by June 30, 2004.

This bill also amends s. 430.205, F.S., requiring the Department of Elderly Affairs and the Agency for Health Care Administration to develop a managed, integrated long-term care delivery system pilot under a single entity. The Agency and the Department are required to integrate all funding for services to individuals over the age of 65 on a pre-paid or fixed-sum basis.

CS/SB 1276 also creates s. 430.041, F.S., to establish the Office of Long-Term-Care Policy in the Department of Elderly Affairs, which is required to evaluate the state's long-term care service delivery system, make recommendations to increase the availability and the use of non-institutional settings for services to the elderly, and ensure coordination among the agencies responsible for the long-term care continuum. To provide direction and assistance to the Office, and to make sure the appropriate state agencies are properly implementing recommendations, the bill also establishes an advisory council. The Office of Long-Term-Care Policy is required to submit a preliminary report to the advisory council by December 1, 2002.

The bill also creates s. 409.221, F.S., the “Florida Consumer-Directed Care Act,” which requires the Agency for Health Care Administration to establish a consumer-directed care program based on the principles of consumer choice and control for persons who are enrolled in one of the Medicaid home and community-based waiver programs and wish to participate. Participants will receive monthly budget allowances to choose providers and direct delivery of services to best meet their long-term care needs. The bill also requires the Agency for Health Care Administration and Department of Elderly Affairs to submit a plan prior to December 1, 2002, to the Governor and Legislature for reducing nursing home bed days funded under the Medicaid program.

CS/SB 1276 creates s. 430.7031, F.S., requiring the Department of Elderly Affairs and the Agency for Health Care Administration to implement a nursing home transition program to assist individuals living in nursing homes to regain independence and to move to less costly settings.

The bill amends s. 20.41 and several sections of ch. 400, F.S., related to the State Long Term Care Ombudsman Council. The bill revises the administration of the Council, the location of the Office, the appointment of the ombudsman, the duties of the Council, the procedure related to complaints, and training requirements for Council staff and its volunteers.

Finally, CS/SB 1276 amends ss. 400.141, 400.179, 430.80, 477.025 and 627.9408, F.S. These changes authorize state-designated teaching nursing homes to demonstrate certain proof of financial responsibility and specifies the minimum proof, provide an exemption from certain requirements that the transferring entity of a nursing facility maintain a bond, exempt nursing homes and assisted living facilities from licensing as a cosmetology salon, and authorize the Department of Insurance to adopt by rule the provisions of the Long Term Care Insurance Model Regulation approved by the National Association of Insurance Commissioners not in conflict with the Florida Insurance Code.

Subject to the Governor's veto powers, the effective date of this bill is upon becoming law.

Transportation & Economic Development Committee

CS/HB 1643 – Labor & Employment Security Dept.

By Council for Smarter Government; Clarke

Linked Bills: None

Tied Bills: Identical CS\CS SB 2340

Committee(s)/Council(s) of Reference: Transportation & Economic Development
Appropriations; Smarter Government Council

The bill dissolves the Department of Labor and Employment Security and transfers the personnel and resources of the department, by type-two transfer, to several departments. Most of the Division of Workers' Compensation is transferred to the Department of Insurance. The Bureau of Rehabilitation and Medical Services relating to the oversight of medical services and the rehabilitation and reemployment of injured workers is transferred to the Agency for Health Care Administration and the Department of Education. The Farm Labor and Crew Chief and Child Labor programs are transferred to the Department of Business and Professional Regulation. The Office of Information Systems is transferred to the State Technology Office. The Unemployment Appeals Commission program is transferred to the Agency for Workforce Innovation.

The bill amends several sections of the statute to conform to the transfers and to correct cross references.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2002.
